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Subject: [External] CAFE info
Date: Wednesday, October 24, 2018 10:55:11 AM
Attachments: rev_fact_sheet_cafe_nprm_by_the_numbers_003-tag(1).pdf
AFPM CAFE One Page Fact Sheet for State Leaders_v7.pdf

U.S. DEPARTMENT OF TRANSPORTATION & U.S. ENVIRONMENTAL PROTECTION AGENCY

FACT SHEET

MYs 2021-2026 CAFE Proposal - by the Numbers

All quantities compared to standards issued in 2012
Calculated based on "Preferred Alternative" Option in NPRM

Consumer Impacts

Increased vehicle affordability leading to increased driving of newer, safer, more efficient, and cleaner vehicles.

- **A $2,340 reduction** in overall average vehicle ownership costs for new vehicles
  - **$1,850 reduction** in the average required technology costs
  - **$490 reduction** in ownership costs for financing, insurance, and taxes
- **Over 12,000** fewer crash fatalities over the lifetimes of all vehicles built through MY 2029
  - **Up to 1,000** lives saved annually

Manufacturer Impacts

Reduced regulatory costs and burdens. Increased new vehicle sales.

- **$252.6 billion** reduction in regulatory costs through MY 2029.
- **1 million** additional new vehicle sales through MY 2029.
- **Reduction from 56% to 3%** in the percentage of hybrid vehicles needed to comply in MY 2030.
- **37.0 mpg** projected overall industry average required fuel economy in MYs 2021-2026, **compared to 46.7 mpg** projected requirement in MY 2025 under standards issued in 2012.

Overall Impacts:

Under the preferred alternative, there will be lower costs, thousands of lives saved, and minimal impact to fuel consumption and the environment.

- **Over $500 billion** reduction in societal costs over the lifetimes of vehicles through MY 2029
  - Technology costs: $252.6 billion
  - Costs attributable to additional fatalities: $77.1 billion
  - Costs attributable to additional injuries: $120.4 billion
  - Costs attributable to additional congestion and noise: $51.9 billion
- **$176 billion** in societal **net benefits**
- **2-3%** increase in daily fuel consumption
  - About **0.5 million barrels** per day increase in fuel consumption
- **Increase from 789.11 ppm to 789.76 ppm** in atmospheric CO_2 concentration in 2100
  - **3/1,000^{ths} of a degree Celsius** increase in global average temperature in 2100
  - **8/100^{ths} of a percent** increase in atmospheric CO_2 concentration in 2100
- **No noticeable** impact to net emissions of smog-forming or other "criteria" or toxic air pollutants

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Proposed Revision to the Federal Corporate Average Fuel Economy (CAFE) Standards

Overview

Congress originally authorized the National Highway Traffic Safety Administration (NHTSA), to carry out the Corporate Average Fuel standards (CAFE) program. Today, three different regulators — NHTSA, EPA, and the California Air Resources Board (CARB) — are responsible for implementing the federal mandate under three different laws using three different standards. EPA and NHTSA require different credits to comply with their respective standards, and the CARB program obstructs the implementation of a national standard. The SAFE Vehicles proposal solves these problems by creating one true national standard through harmonizing the NHTSA and EPA programs and denying CARB's ability to circumvent this federal program.

Problems with Current Program

- Corporate Average Fuel Economy (CAFE) standards were originally created by the Energy Policy Conservation Act of 1975 (EPCA) to curb dependence on foreign oil during the 1970s energy crisis. EPCA directed the National Highway Traffic Safety Administration (NHTSA) to set fuel economy standards for cars and light trucks, doubling passenger vehicle fuel efficiency within 10 years to 27.5 mpg.
- In 2007, Congress enacted the Energy Independence and Security Act of 2007 (EISA), which raised standards to 35 mpg by 2020.
- Under the Clean Air Act, California may receive a preemption waiver allowing CARB to establish its own GHG emissions program that is equally as stringent – or more so – than EPA's standard. In order to receive a waiver, California must prove that it needs separate standards to meet "compelling and extraordinary conditions". Waiver requests have been denied on this basis, since GHG concentrations are global and not uniquely connected to California's landscape or local conditions.
- Fourteen other states[1] have adopted CARB's program over the federal program, subjecting their markets to more stringent standards. These "Section 177" states represent approximately 35% of the domestic auto market, forcing auto manufacturers to choose whether to comply with federal standards or Sacramento bureaucrats.
- The Obama Administration resumed the CAFE rulemaking process in 2010, and for the first-time allowed EPA to regulate greenhouse gas emissions as part of a joint EPA/NHTSA rulemaking, establishing the "Phase 1" MY 2012-2016 CAFE standards. In 2012, the Obama Administration continued course and promulgated the EPA/NHTSA "Phase 2" standards for MY 2017-2025, requiring a 54.5 mpg standard by 2025. This standard is so unattainable with current technology that it's created a de facto electric vehicle mandate.
- In 2018, the Trump administration proposed revising the current CAFE standard as part of the midterm review. The current proposal allows standards to increase through 2020, but they hold the standard at the 2020 average level of 37 mpg through 2025.

The Safer and Affordable Fuel-Efficient (SAFE) Vehicles Rule Proposal

- Allows existing standards to continue increasing to 37 mpg in 2020, then freezes standards through 2025.
- Creates one national standard with NHTSA and EPA being responsible for setting fuel economy and vehicle tailpipe emissions standards.
- Revokes California's authority to set its own standard because it is technologically infeasible.

Benefits of the SAFE Proposal

- Increases the affordability of new cars by reducing the ownership cost of a new vehicle by **$2,340**.
- Accelerates fleet turnover, allowing more consumers to afford cleaner, newer, and safer vehicles. With other safety factors this could **reduce highway fatalities by over 12,000 lives** over the next decade.
- Creates one national standard, removing California's ability to dictate to the other states what cars are sold there, returning consumer choice as the dominant factor deciding vehicle models, technology preferences, and features to be produced by automakers.
- Removes the government mandate to sell vehicles. Since consumers vastly prefer SUVs and trucks, auto dealers must increase prices on those cars in order to make up for their losses on subcompacts and EVs. Costly CAFE mandates are a truck tax on Americans.
- Lower costs, thousands of lives saved, and minimal impact to fuel consumption and the environment will result in a **$500 billion benefit to the U.S. economy**.

[1] States include: California, Colorado, Connecticut, Delaware, the District of Columbia, Maine, Maryland, Massachusetts, New Jersey, New York, Oregon, Pennsylvania, Rhode Island, Vermont, Washington